

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et*
al.,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth.**

**REPLY OF THE COMMONWEALTH OF PUERTO RICO TO THE RESPONSE FILED
BY TODD HAUCK [ECF NO. 18160] TO THE THREE HUNDRED SIXTY-EIGHTH
OMNIBUS OBJECTION (NON-SUBSTANTIVE) OF THE COMMONWEALTH OF
PUERTO RICO TO SATISFIED CLAIMS**

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth” or the “Debtor”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Debtors pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² files this reply (the “Reply”) to the response [ECF No. 18160] (the “Response”) filed by claimant Todd Hauck

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

(“Hauck”) to the *Three Hundred Sixty-Eighth Omnibus Objection (Non-Substantive) of the Commonwealth of Puerto Rico to Satisfied Claims* [ECF No. 17934] (the “Three Hundred Sixty-Eighth Omnibus Objection”). In support of this Reply, the Debtors respectfully represent as follows:

1. On August 20, 2021, the Commonwealth filed the Three Hundred Sixty-Eighth Omnibus Objection seeking to disallow claims that have been fully satisfied, each as identified in Exhibit A thereto (collectively, the “Satisfied Claims”). Each of the Satisfied Claims purports to assert liabilities based on either (i) an allegedly unpaid tax refund, (ii) unclaimed property held by the Commonwealth that is purportedly owed to the claimants, or (iii) liabilities associated with the Lifeline program, a program administered by the Federal Communications Commission which is designed to make communication services from certified Lifeline providers. The Commonwealth’s records, however, show that liabilities associated with the Satisfied Claims have already been paid, either through processing and payment of a tax refund, payment of unclaimed funds to their purported owner, and/or via payments made to telecommunications services providers in connection with the implementation of the Lifeline program.

2. Any party who disputed the Three Hundred Sixty-Eighth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on September 20, 2021 in accordance with the Court-approved notice attached to the Three Hundred Sixty-Eighth Omnibus Objection as Exhibit C, which was served in English and Spanish on the individual creditors subject to the Omnibus Objections, the U.S. Trustee, and the Master Service List (as defined in the *Fifteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 17127-1]). *See Certificate of Service* [ECF No. 17939].

3. Hauck filed a proof of claim against the Commonwealth on May 4, 2018, which was logged by Prime Clerk as Proof of Claim No. 9269 (the “Hauck Claim”). The Hauck Claim asserts liability on the basis of an escheated bearer bond of \$5,000 issued by the Puerto Rico Water Resources Authority (“PRASA”), 5% Electric Revenue Bond, Series 1968, No. 340969. The Hauck Claim also attaches supporting documentation purporting to show ownership in an unspecified amount of a second escheated bearer bond issued by the Puerto Rico Highways and Transportation Authority (“HTA”), Highway Revenue Bond (Series M), Certificates 4984, 4988, CUSIP 745194JY7.

4. The Three Hundred Sixty-Eighth Omnibus Objection contended the Hauck Claim was satisfied on the basis that the Department of Treasury’s records establish that the liabilities had been paid pursuant to check number 00142381 dated May 3, 2017. The Hauck Response states that the check identified in the Three Hundred Sixty-Eighth Omnibus Objection provided payment for the HTA bearer bonds owned by Hauck, but that Hauck had not yet received payment for the escheated PRASA bearer bonds. Resp. at 1.

5. Hauck does not, therefore, dispute that any liabilities associated with the HTA bearer bond have already been satisfied. Accordingly, the Hauck Claim should be partially disallowed to the extent it purports to assert liabilities associated with the HTA bearer bonds. Hauck will retain the portion of the Hauck Claim asserting liabilities associated with the bearer bonds issued by PRASA, a non-Title III entity.

Dated: February 2, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

Hermann D. Bauer

USDC No. 215205

Carla García Benítez

USDC No. 203708

O'NEILL & BORGES LLC

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181

Fax: (787) 753-8944

/s/ Brian S. Rosen

Martin J. Bienenstock (*pro hac vice*)

Brian S. Rosen (*pro hac vice*)

PROSKAUER ROSE LLP

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

*Attorneys for the Financial Oversight and
Management Board as representative for the
Commonwealth of Puerto Rico*